

Draft Scope of Environmental Assessment

Line 490 Replacement Project
Imperial Oil NWT Ltd.
EA2425-01

Oct 18, 2024

1. Introduction

The Mackenzie Valley Environmental Impact Review Board (the Review Board) is conducting an environmental assessment (EA) on Imperial Oil NWT Ltd.'s (Imperial's) proposed Line 490 Replacement Project (the Project). Once completed the Project will allow for continued oil and gas production from approximately a third of the production field at Imperial's Norman Wells Operation that was halted when a flowline failed in 2022. Imperial proposes to use horizontal directional drilling (HDD) for this project.

1.1 Purpose

This document is the Review Board's **draft** scoping document. It is intended as a starting point to get feedback from parties and the developer on the scope of the development and the scope of assessment.

The proposed scope of development and assessment in this document is based on information provided by the developer in its applications to the Sahtu Land and Water Board (SLWB) for a land use permit¹ and water licence², and to the Canada Energy Regulator (CER)³. The Review Board also considered comments made by the developer and parties to both these proceedings. These included: information requests and responses, transcripts from Oral Indigenous Knowledge hearings, and results of public engagement.

After the scope of this assessment is finalized, the Review Board plans to hold a round of information requests prior to public hearings. The public hearings will allow interested parties to express their views on the project directly to the Review Board. The public hearings, in conjunction with the EA process, will allow the Review Board to assess any public concern, the potential impacts of the development and the significance of these impacts.

1.2 Background

Imperial is proposing to replace an approximately 1050 meter long section of piping associated with the Line 490 corridor, under a portion of the Mackenzie River, that failed in 2022. This resulted in the release of produced water into the Mackenzie River. This section of pipe was originally installed by digging a trench in the riverbed, placing the pipe in the trench and covering it. There were other flowlines in the same trench that did not fail, but would still be replaced as part of this project.

¹ [Land User Permit S24A-005](#)

² [Water Licence S24L1-002](#)

³ [Application for Variance of Operations Authorization 1210-001 and Line 490 Replacement Project \(OH-001-2023\)](#)

Imperial is proposing to replace the flowline that failed and the other flowlines and conduits in the existing Line 490 corridor that did not fail, including:

- NPS 10 emulsion line pipe
- NPS 6 emulsion line pipe
- NPS 6 water line pipe
- NPS 4 natural gas line pipe
- NPS 4 cable conduit

The flowlines and cable conduit will be bundled and installed inside a steel conduit in the existing right-of-way using HDD.

1.3 Reasons for referral

On September 24, 2024, the Sahtu Secretariat Incorporated (SSI) referred the Line 490 Replacement project to the Review Board for an environmental assessment, under s. 126(2) of the *Mackenzie Valley Resource Management Act* (the MVRMA).⁴ In its letter of referral, the SSI expressed concerns with:

- the use of horizontal directional drilling
- the changes to the Mackenzie River including low water levels
- the need for Sahtu residents to be meaningfully involved in decisions relating to development on, and affecting, their lands and waters
- the lack of economic benefits and opportunities related to this project

1.4 Legal context

Under s. 115 of the MVRMA, the Review Board must conduct an EA of the proposed development, having regard for the protection of the environment from significant adverse impacts, and the protection of the social, cultural and economic well-being of Mackenzie Valley residents and communities. Section 114(c) of the MVRMA further requires the Review Board to ensure that concerns of Indigenous people and the general public are taken into account.

2. Scope of considerations

This section sets out the scope of development and the scope of assessment.

2.1 Draft scope of development

Under s. 117(1) of the MVRMA, the Review Board must determine the scope of development for every EA it conducts. The scope of a development includes all the physical works and activities required for the project to proceed.

For this EA, the scope of development is based on Imperial's applications for the Line 490 Replacement Project to the Sahtu Land and Water Board (S24A-005 and S24L1-002) and the Canada Energy Regulator (OA 1210-001).

⁴ https://reviewboard.ca/upload/project_document/SSI%20to%20CER%20re%20OA%20Extension.pdf



Imperial proposes to install flowlines and conduit using horizontal directional drilling (HDD) between Goose and Bear Islands, in the Mackenzie River at Norman Wells. The HDD will drill a single hole (diameter 24-30"; approximately 1.0-1.5 km length) between the islands, at least 15 meters below the riverbed. This depth gives the flowlines vertical separation from the Mackenzie River to minimize the risk of future line exposure.

The Project will require water. Imperial proposes that this water will be sourced from the existing Normal Wells Operations that is authorized under water licence (S13L1-007), and the anticipated renewal of this licence (S24L1-005). Imperial proposes that waste generated for the Project will be disposed of under its existing water licence. The anticipated wastes are identified as drilling waste from the HDD, hydrostatic test water and garbage (packaging, oily rags, etc.).

2.2 Scope of assessment

The scope of assessment identifies which issues the Review Board will examine in the environmental assessment. Requirements for the scope of the assessment are outlined in ss. 117 (2) of the Act and are elaborated on in this section.

Section 115 of the MVRMA requires the Review Board to “have regard to:

- (a) the protection of the environment from the significant adverse impacts of proposed developments;*
- (b) the protection of the social, cultural and economic well-being of residents and communities in the Mackenzie Valley; and*
- (c) the importance of conservation to the well-being and way of life of the aboriginal peoples of Canada to whom section 35 of the [Constitution Act, 1982](#) applies and who use an area of the Mackenzie Valley”.*

For this scope of assessment, the Review Board considered information from Imperial’s application and the public review processes of the SLWB and the CER. Based on the information provided during these application processes, the Review Board has identified the following as primary issues:

- impacts to water quality and quantity in the Mackenzie River
- impacts to cultural uses of the Mackenzie River downstream of Norman Wells, including fishing, hunting, trapping and travelling
- accidents and malfunctions
- alternatives to the proposed activities, such as trenching and the no project alternative, including the impact on the environment of these alternatives

2.2.1 Cumulative effects

Paragraph 117(2)(a) of the MVRMA requires the Review Board to consider cumulative effects. Cumulative effects are the combined effects of the development in combination with other past, present, and reasonably foreseeable future human activities and natural processes. For this assessment the consideration of cumulative effects will include, at a minimum, the potential contribution of the Line 490 Replacement Project to the cumulative effects of past, present, and reasonably foreseeable future activities, at the Norman Wells Operations and downstream.

The geographic and temporal scope of assessment for cumulative effects may differ from those described for project specific impacts to valued components. The Review Board has identified that impacts to water quality and quantity are key pathways of impacts to other valued components for

this environmental assessment. Therefore, the Review Board expects the geographic scope of assessment for water quality and quantity, in particular, to reflect this importance.

2.2.2 Accidents and malfunctions

The Review Board will consider potential accidents and malfunctions, their causes, likelihoods, and consequences. The environmental assessment will also consider mitigation activities Imperial could pursue to minimize the risks of these events.

2.3 Geographic scope

The geographic scope includes the project footprint and areas beyond it that may be affected by project activities, as appropriate for the characteristics of each valued component.

For cultural use, the geographic scope will include consideration of the potential impacts to all traditional users downstream of the Norman Wells Operations.

For water quality and quantity, and fish and fish habitat, the geographic scope will include the Mackenzie River from the Norman Well Operations to the point downstream at which project-related impacts are no longer detectable. Any effects of upstream activities resulting in cumulative effects that the impacts of this project could combine with may be included, based on relevance.

2.4 Temporal scope

The temporal scope of this environmental assessment will include the period when Imperial is conducting activities related to the project. This temporal scope refers to when activities will occur. It does not limit how long a period of impacts the Review Board will consider. The Review Board will consider any relevant impacts arising from Imperial's activities related to this proposed project, regardless of whether the impacts occur during or after the project is completed.

3. Incorporation of Traditional Knowledge

As required by section 115.1 of the Act, the Review Board will consider any Indigenous Traditional Knowledge and scientific information submitted by Imperial or parties in this environmental assessment. Imperial should refer to the Review Board's Guidelines for *Incorporating Traditional Knowledge in Environmental Impact Assessment*.

The Review Board will consider all Traditional Knowledge that has been submitted to date, including the transcripts from the Oral Traditional Knowledge hearings associated with the Canada Energy Regulators process for the Line 490 Replacement application. The Board encourages parties to submit additional Traditional Knowledge that is relevant to the environmental assessment. It expects Imperial to consider any existing TK provided through previous processes and any new Traditional Knowledge that is provided during this EA.

4. Public Engagement

The Review Board will consider Imperial's ongoing engagement with communities, Indigenous groups, other governments, and any other organizations with interests related to areas that might be affected by the Project. This includes how Imperial responded to concerns raised during the regulatory processes that preceded this EA.

Indigenous groups, government agencies, and other interested parties have information useful to this environmental assessment. Imperial should make all reasonable efforts to engage with them and



resolve issues as they arise. The Review Board expects Imperial to continue to meet with interested groups and to submit to the public record any information from those discussions that may be relevant to the Review Board's decision.

5. Conclusion

The Review Board considers the views of parties and the developer when determining the scope of assessment and development. The Review Board will provide detailed reasons, and summarize how the views of the developer and parties were considered.

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